

Federal Energy Regulatory Commission

§ 367.1080

used by the service company in its operations.

(b) The property included in this account must be classified separately according to detailed accounts 301 (§ 367.3010), 303 (§ 367.3030) and 389 to 399.1 (§§ 367.3890 to 367.3991) prescribed for service company property.

(c) Records must be maintained with respect to each capital lease reflecting:

- (1) Name of lessor,
- (2) Basic details of lease,
- (3) Terminal date,
- (4) Original cost or fair market value of property leased,
- (5) Future minimum lease payments,
- (6) Executory costs,
- (7) Present value of minimum lease payments,
- (8) The amount representing interest and the interest rate used, and
- (9) Expenses paid.

§ 367.1060 Account 106, Completed construction not classified.

At the end of the year or such other date as a balance sheet may be required by the Commission, this account must include the total of the balances of construction projects for service company property which has been completed and placed in service but have not been classified for transfer to the detailed service company property accounts.

§ 367.1070 Account 107, Construction work in progress.

(a) This account must include the total of the balances of construction projects for service company property in process of construction.

(b) Construction projects must be cleared from this account as soon as practicable after completion of the job. Further, if a project is designed to consist of two or more units that may be placed in service at different dates, any expenditures that are common to and that will be used in the operation of the project as a whole must be included in service company property upon the completion and the readiness for service of the first unit. Any expenditures that are identified exclusively with units of property not yet in service must be included in this account.

(c) Expenditures on research, development, and demonstration projects

for construction of facilities are to be included in a separate subaccount in this account. Records must be maintained to show separately each project along with complete detail of the nature and purpose of the research, development, and demonstration project together with the related costs.

§ 367.1080 Account 108, Accumulated provision for depreciation of service company property.

(a) This account must be credited with the following:

(1) Amounts charged to account 403, Depreciation expense (§ 367.4030), or to clearing accounts for current depreciation expense for service company property.

(2) Amounts charged to account 416, Costs and expenses of merchandising, jobbing, and contract work (§ 367.4160), or to clearing accounts for current depreciation expense.

(3) Amounts of depreciation applicable to properties acquired. (*See* Service Company Property Instruction in § 367.53.)

(4) Amounts of depreciation applicable to service company property donated to the service company.

(b) The service company must maintain separate subaccounts for depreciation applicable to service company property.

(c) At the time of retirement of depreciable service company property, this account must be charged with the book cost of the property retired and the cost of removal, and must be credited with the salvage value and any other amounts recovered, such as insurance.

(d) The subsidiary records for this account must reflect the current credits and debits to this account in sufficient detail to show the following separately:

- (1) The amount of accrual for depreciation,
- (2) The book cost of property retired,
- (3) Cost of removal,
- (4) Salvage, and
- (5) Other items, including recoveries from insurance.

(e) The service company is restricted in its use of the accumulated provision for depreciation to the purposes identified in paragraphs (a) through (d) of this section. It must not transfer any